

MINUTES OF MEETING  
NORTH SPRINGS IMPROVEMENT DISTRICT

The regular meeting of the Board of Supervisors of the North Springs Improvement District was held Wednesday, May 2, 2012 at 5:07 p.m. in the district office, 10300 N. W. 11 Manor, Coral Springs, Florida.

Present and constituting a quorum were:

David Gray	President
Vincent Morretti	Secretary
Vandin Calitu	Assistant Secretary

Also present were:

Doug Hyche	District Manager
Dennis Lyles	District Counsel
Rod Colon	Director of Operations
Brenda Schurz	District Clerk
Nick Schooley	Drainage Supervisor
Kay Woodward	Accountant
Donna Holiday	GMS-South Florida, LLC
James Weiss	Resident
Sharon Quarters	A&S Total Cleaning
Jeremy Paniagua	M&J Cleaning Services

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Hyche called the meeting to order at 5:07 p.m.

**SECOND ORDER OF BUSINESS**

**Approval of the Minutes of the April 4, 2012 Meeting**

Mr. Hyche stated the next item is approval of the minutes of the April 4, 2012 meeting.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the minutes of the April 4, 2012 meeting were approved as presented.
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**THIRD ORDER OF BUSINESS****Approval of Resolution 2012-10 Designating Person(s) to Administer and Allocate GASB 54 Projects**

Mr. Hyche stated the next item is approval of Resolution 2012-10 designating person(s) to administer and allocate GASB 54 projects.

Ms. Woodward stated the governmental accounting standards board has instituted a new rule for governmental accounting in that if you have governmental funds, which you do, you have your general fund and Heron Bay Commons, Heron Bay Mitigation and Parkland Isles that anytime you have set aside funds for future projects there were old rules that you called things reserved and unreserved. They have simply added several different categories hopefully to make it more understandable to the reader when you see financials that will basically split out those two categories of how you are accumulating funds for future projects so that you know whether or not it is set aside for a specific fund but you can change your mind or if it is by contract you cannot change your mind you definitely have to set funds aside. They have set up new categories and you will notice in your audited financials that there are new categories and descriptions in your fund equity section. You really need to administer this on an ongoing basis and typically it is someone in your office and we were suggesting that your district manager and director of operations work on this together so that they can reassign projects and change the dollar amount in each of these categories as needed. It is something that is needed at the end of the year in your audit. The reality is that no matter what planning they do nothing gets accomplished by way of a contract unless it goes to the board. The day-to-day operations as the board you do not want to be bothered with and this allows them to do all the work in the middle of the year and for the year end audit. Next month when you get your financials we will be using the same categories that were used in this audit and those new designations will be there so once you see it next month in the monthly financial you will be in a position to ask questions about, what does that mean, can we spend it or do we have to use it for specific projects.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor Resolution 2012-10 was approved.

**FOURTH ORDER OF BUSINESS****Presentation and Acceptance of the Financial Audit for Fiscal Year 2011**

Mr. Hyche stated the next item is presentation and acceptance of the financial audit for fiscal year 2011.

Mr. Grace stated I am with Keefe McCullough and I was the supervisor on the audit and we want to thank you for letting us be the independent auditor. Kay, Brenda and everyone else have been more than helpful when we conduct the audit.

I want to highlight the specific sections of the audit. Page 1 is the independent auditor's report and basically we give an unqualified opinion, which is the cleanest opinion you can get stating that there are no issues or anything like that.

Pages 5 and 6 gives a picture of the district as a whole financially where it stands, the kind of year it had and on page 6 at the bottom right the change in net assets you can see from last year to this year you basically had over a million dollar improvement.

Page 44 is the report on internal control and compliance and it says there were no deficiencies in control and there were no instances of non-compliance. It is important to make sure everyone is doing their job and that there are checks and balances.

Page 46 lists the applicable Florida Statutes. When we conduct an audit we have to make sure that the district is following each one of these statutes properly and there were no issues or instances of non-compliance with any statute.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the fiscal year 2011 audit was accepted and staff was authorized to transmit it to the State of Florida.

## **FIFTH ORDER OF BUSINESS**

### **Audience Comments**

There not being any, the next item followed.

## **SIXTH ORDER OF BUSINESS**

### **Staff Reports**

#### **A. Manager**

#### **Consideration of Proposals for Dike Fencing and Repair Project No. 2012-04**

Mr. Hyche stated the next item is consideration of proposals for dike fencing and repair, project no. 2012-04.

Mr. Colon stated basically this project involves repair of the dike and putting up a fence along the district's dike, which is located along the L-36 Canal. We have had a lot of

homeowners especially in the Casa Del Sol area in Heron Bay that have encroached into our property and it has cost the district a lot of money in attorney's fees and landscapers to go out there and remove structures encroaching on the dike. During times of emergencies Nick needs to use that roadway, the dike, to do his operations and the fact that residents were growing ficus trees and had koi ponds and other things restricted his ability to his job in times of emergency. We were asked by the homeowners association to build a fence because there have been a lot of burglaries in Heron Bay and they have concerns of vehicles getting back there but the more important issue is to protect our dike from encroachment.

Mr. Gray asked where do the funds come from for something like that?

Mr. Colon responded from the general fund and there is money in the general fund to do the project.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the contract for the dike fencing and repair project 2012-04 was awarded to Ruzzano Builders, Inc. in the amount of their proposal of \$296,000.

**Consideration of Quotes for the Janitorial and After Event Cleaning Service for Heron Bay Commons**

Mr. Hyche stated the next item is consideration of quotes for janitorial and after event cleaning service for Heron Bay Commons.

Mr. Colon stated there was a proposal that was inadvertently omitted from the agenda package but you do have a hard copy of that in front of you now. We invited representatives of the top two companies, M&J Services and A&S, to give a short presentation to the board. Their quotes are \$23 apart. This didn't go through a formal bid process it was a quote process so there is room for negotiation with the firm the board chooses to do the cleaning at Heron Bay Commons.

Mr. Paniagua stated I am with M&J Services we are a residential and commercial cleaning service company in Boynton Beach, Florida. We provide services from apartments to communities such as Heron Bay. We have been cleaning the facility for two weeks and are requesting a one year contract. The contract basically provides, daily, weekly and monthly services for the clubhouse.

Mr. Gray stated I had a question that dealt with a difference in proposals not necessarily between yours and A&S but one of the other proposals mentioned that their employees had background checks and were bonded and they were not sub-contractors. Do you use employees or sub-contractors?

Mr. Paniagua stated they are our employees.

Mr. Gray asked do we require that they be bonded and insured?

Mr. Colon responded yes.

Mr. Paniagua stated for the two weeks I did submit insurance certificates.

Mr. Gray stated one person included deep cleaning floor services and the other ones did not include it so I'm assuming it wasn't part of the scope or on a basis we pay if it is requested. Is that the way we are setting it up?

Mr. Colon responded we would request the board's permission to enter into negotiations with the top company and we would give them our scope and they would sign our contract not theirs. The contract will go to Mr. Lyles for his review and with your permission we would execute it. We wanted to present the top two companies, they are \$23 apart and they are both reputable.

Ms. Quarters stated I am with A&S Total Cleaning we have been around since 1989. I have only been with the company a short time. If you look into my proposal the inside cover addresses specifically what you were talking about, it talks about the fact that our people are background checked, they are drug free, they carry picture ID and wear uniforms. They clock in by telephone when they arrive and clock out. We have area managers that check in with Shannon, they tour the property, Shannon would not have to manage our people we do that. In the next section you will see that our system is state of the art, if you have a problem and email me or the area manager or operations manager it would go into the system and not only the area manager, operations manager, Todd our owner and myself would be aware of any situation the cleaner would be aware of the situation and it would be corrected.

The next section breaks down the work specifically item by item and I think they have been using for several years our breakdown of what the work should be. We also included the fact that we carry double the liability insurance over \$2 million, we also have a lot of accreditation and if you really want to know about us call our references. I have janitorial

references, HOA references, medical cleaning references including hospitals, etc. I don't do residential we are only commercial.

Mr. Gray asked did staff do reference checks and do you have a recommendation?

Mr. Hyche responded we want a recommendation from the board to enter into negotiations with both these companies.

Mr. Colon stated we have not checked references for either company. I do have a question for both companies. Are your prices firm or are you able to negotiate?

Ms. Quarters stated I believe I have come to my bottom dollar.

Mr. Paniagua stated they are negotiable.

Ms. Quarters stated in this proposal I didn't upgrade the charge for weekend time, I gave you the lowest rate that we offer, etc. I did authorize more time than the system allocated by a little bit so we really could do an effective job.

Mr. Calitu asked in terms of the chemicals you use, do you use green products?

Ms. Quarters responded we use all P&G products, which are fairly good we can upgrade to all green products if that is required. We prefer to use them but there is a cost factor involved so it depends on what is more important to you.

Mr. Calitu stated so this proposal is not for green products.

Ms. Quarters responded it is for P&G products, which are somewhat green but not the greenest. They aren't LEED approved.

Mr. Paniagua stated we go through a janitorial supply company. It is totally up to you if you would like green products, we do use standard generic brands.

Mr. Calitu asked do you care if they use green products or not?

Mr. Colon responded I don't think we have used green products in the history of Heron Bay Commons but for a cost savings I personally don't care.

Ms. Quarters stated there is a negative side and that is green products are not germicides and you want germicides in this type of facility.

Mr. Calitu stated I use them at home and the label says that it kills bacteria.

Ms. Quarters stated there is an alternative you can buy a steam machine that heats to 2200° and we can use it but we are not going to buy it for you and then you can use no products.

Mr. Colon stated usually there is a staff recommendation but we didn't have time to evaluate the package from A&S and we wanted to give them an opportunity to present their quote.

Mr. Gray asked how many employees do you have?

Mr. Paniagua responded we have 50.

Ms. Quarters responded we have 200, we do over 10 million square feet a day.

Mr. Morretti asked why don't we authorize staff to enter into negotiations with both companies and come back with a recommendation unless you feel strongly about making a decision today?

Mr. Gray stated ultimately they are going to negotiate with whomever we choose and if that doesn't work out you would go to the next competitive bidder.

Mr. Colon stated if we were to bid this we would probably recommend the low bidder but since it wasn't a formal bid and they were \$23 apart we were asking to enter into negotiations.

Mr. Gray stated if you negotiated and it didn't work out you would go to the next one in line.

Mr. Paniagua stated currently we are on a two week contract but today was the last day so we would have to work something out.

Mr. Colon stated we needed a janitorial company right away so M&J is temporarily cleaning the Commons. It is my understanding they are doing a good job.

Mr. Calitu stated they are willing to negotiate.

Mr. Colon stated really the negotiation is the district's contract. I know that each of the companies presented their contract but they sign our contract we don't sign their contract.

Mr. Gray stated in reading all the proposals they don't line up completely.

Ms. Quarters stated our proposal is based on the amount of hours for each of the spaces. If you measure the external space and get an overall square footage or if you have the constructed square footage it wouldn't relate to the room square footage, which might not include closets, electronic rooms, etc.

Mr. Gray stated there are several differences so I'm assuming whatever our scope ends up the price is not being altered because I can't imagine that anything would be a great difference. One item is cleaning all ceiling vents, some contractors have that weekly, some have it monthly. I'm assuming we will have a contract that deals with it.

Mr. Hyche stated our contract will have our scope and our procedures.

Mr. Colon stated this is under our bidding threshold and it allows us to negotiate the best contract for the district.

Mr. Lyles stated I sense a little hesitation on the board's part as to how to proceed and I know you mentioned ranking that is the process we use for engineer's, architects and surveyors where you are required by statute to rank the proposals 1, 2, 3 in terms of qualifications and background. You are not compelled to do that either today. You could authorize staff to try to negotiate the best overall contract for the district's purposes and come back with a recommendation to you at your next meeting and not elect as a board to rank either proposal as no. 1 or no. 2 at this time.

Mr. Gray stated what I would like to have is a reference check to see how they are actually performing on other jobs. Based upon that I would like to have a recommendation because paperwork doesn't speak the way actual work does. Then based upon that the one you feel is the most qualified based on their history of work try to negotiate a contract and proceed.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor staff was directed to check the references on A&S Total Cleaning and M&J Cleaning Services and based upon the results of the reference check enter into negotiations to contract for cleaning services for Heron Bay Commons.

**B. Attorney**

There not being any, the next item followed.

**C. Engineer – Project Status Report**

There not being any, the next item followed.

**SEVENTH ORDER OF BUSINESS**

**Approval of Financials and Check Registers**

Mr. Hyche stated the next item is approval of the financials and check registers.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the financials and check registers were approved.



On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the meeting adjourned at 5:35 p.m.



Vincent Morretti  
Secretary



David Gray  
President